

**REBUTTAL TESTIMONY OF**  
**ALLEN W. ROOKS**  
**ON BEHALF OF**  
**DOMINION ENERGY SOUTH CAROLINA, INC.**  
**DOCKET NO. 2019-239-E**

1    **Q.     PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.**

2    A.            My name is Allen Rooks and my business address is 220 Operation Way,  
3            Cayce, South Carolina. I am the Manager of Electric Pricing and Rate  
4            Administration for Dominion Energy South Carolina, Inc. (“DESC” or the  
5            “Company”).<sup>1</sup>

6  
7    **Q.     HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS**  
8            **PROCEEDING?**

9    A.            Yes, I have.

10

11   **Q.     WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

12   A.            The purpose of my rebuttal testimony is to clarify two specific issues found  
13            in the Direct Testimony of ORS witness Mr. George Evans.

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<sup>1</sup> South Carolina Electric & Gas Company (“SCE&G”) changed its name to Dominion Energy South Carolina in April 2019, as a result of the acquisition of SCANA Corporation by Dominion Energy, Inc. For consistency, I use “DESC” to refer to the Company both before and after this name change.

1 **Q. WHAT POINT DO YOU WISH TO CLARIFY ABOUT CARRYING COSTS**  
2 **ON DSM PROGRAM COST BALANCES?**

3 A. On page 16, lines 2-4, ORS witness Mr. Evans states that, “I recommend the  
4 Commission approve 5.95% as the rate to calculate carrying costs on un[re]covered  
5 Program balances subject to amortization.” The Company and ORS appear to agree  
6 that the weighted average cost of debt is an appropriate carrying cost rate for  
7 application to DSM program cost balances. The Company, however, wishes to  
8 clarify that this rate would update to the then current rate annually to coincide with  
9 the Rate Rider update in May of each year and would not be fixed for the 5-year  
10 term proposed in this docket, as Mr. Evans seems to imply.

11  
12 **Q. ON PAGE 18, LINES 9-10 OF ORS WITNESS MR. EVANS’ TESTIMONY,**  
13 **HE STATES THAT “PROGRAM COSTS WOULD BE AMORTIZED OVER**  
14 **THE LIFE OF THE PROGRAM, BUT FOR NO MORE THAN THREE (3)**  
15 **YEAR[S].” WHAT IS YOUR RESPONSE TO THIS AND OTHER**  
16 **STATEMENTS REGARDING THE APPROPRIATE AMORTIZATION**  
17 **PERIOD FOR DSM PROGRAM COSTS?**

18 A. ORS proposes recovering program costs over the life of the program or three  
19 years, whichever is shorter. In essence, this creates a vintaging scenario for each  
20 program. As its current practice, the Company does not vintage DSM program costs  
21 incurred by year and program, but takes the balance of program costs, and includes

1 one-fifth of that amount in the Rate Rider calculation to reflect a five-year  
2 amortization period.

3 If this vintaging approach is adopted, the Company would request that: 1) a  
4 uniform amortization period be implemented for all program costs, in this case,  
5 three years; 2) the Company be allowed to group program costs for each program  
6 year by Residential and Commercial & Industrial (“C&I”) costs, and not be required  
7 to track vintages by specific program; 3) existing program cost balances be  
8 amortized over a three-year term; and 4) that any over/under recovery of specifically  
9 vintaged costs after three years, be applied as a true-up in the following year’s  
10 vintage.

11 The uniform amortization period and ability to track program year cost  
12 vintages by residential or C&I classes only would reduce the administrative  
13 complexity of the DSM rate rider and allow for more efficient monitoring and audit  
14 by the ORS.

15  
16 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

17 **A. Yes.**